

### **3.1.1 Cost Estimates**

TBD with input from BBVS client.

### **4.0 Questions/Issues Summary**

- o How many simultaneous users/patients need to be supported?
- o What is frequency of remote access to patient database?
- o RSVP needs names of other hospitals in Omaha IVDS service area.
- o Can we provide a STT hookup at a hospital?
- o Availability of gateway back-end dial up communication facility?
- o Would the Patient and Content/Nav databases be ported to OSF/1 environment, or would VideoWorks Hypermedia database be used? That is, is the current database (Q&E) supported in the OSF/1 environment? If the Hypermedia database is used, does it have a remote dial-up interface?
- o Need to investigate NACS. Is OSF/1 based remote access software available?

**RSVP Information Inc**

14 Story Street  
Cambridge MA 02138

In the Matter of:  
U S West Communications  
FCC 98-147

September 24, 1998  
Exhibit I

617.354.6066 FAX 617.864.8840

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ATTORNEYS ONLY**

April 15, 1994

Mr. Dan Connolly, C.I.O.  
Immanuel Medical Center  
6901 North 72nd Street  
Omaha, NE 68122

Dear Dan:

Following is a recap of our March 23rd meetings and an agenda for the April 29th meeting at Immanuel with RSVP (myself and Paul Rubenstein), US West (Larry Levine, Audley Webster, Nancy Sullivan and Andy Eiseman), your staff and participants in the Lakeside Health Park (Bergen Mercy, Mutual of Omaha).

As we discussed, an introduction to the service during the test could be an offering of medical speciality information and physicians' biographies in a referral service format. This would allow a home participant to enter a preliminary patient history by answering questions (yes/no) and then be offered a listing of appropriate physicians. They could see a short video with the physician describing his/her practice *relative to that patient's needs*. A call back from the office to schedule an appointment can be available.

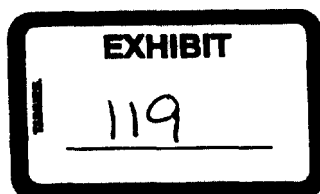
Lakeside Health Park information could be in the form of preventative and wellness education. This might include listings of activities, classes, recipes and additional information related to the participants facilities (for example the Heart Institute).

I see phasing in other information relating to pre-op for informed consent and recovery goals and expectations. Post-op information can be made available for the patient after returning home; depending on your patient population demographics, we may want to look at neo-natal information or post ambulatory surgical information. In these cases, the patient can be made aware of the availability of the service by hospital staff directly.

I have provided the zip codes (attached) within the US West test area to Kim Barnes-Manning and we can put a sharper focus on specific content material when Kim runs demographic information on your patients in that area.

I would like to point out new information pertaining to an area we discussed pertaining to advanced directives. A recent study of Medicare patients has shown that costs related to a patient's hospitalization at the end of life can be significantly lower when living wills and health care proxies are completed. Bills for the patients who had not completed (72%) advanced directives were more than three times greater than the bills of patients who did (28%). This should be another area for continued discussion.

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Mr. Dan Connolly  
April 15, 1994  
page two of two

Items which should be on our agenda for the 29th include:

- 1) specific material to be offered in the home (from which entities);
- 2) utilizing existing material and the cost to produce new material;
- 3) what other costs will be incurred during the test and continuing costs, post-test period and how are they paid for;
- 4) exclusivity for Immanuel during the test phase;
- 5) access to demographic information and the ability to access data for research;
- 6) security and access issues including who can access data, protection of lists, purging from US West databases after downloaded to IMC;
- 7) an area which we briefly discussed on March 23rd is that of how to inform the patient that information is available on this interactive service in the test area;
- 8) deliver via fiber to other cities.

Addressing some questions you had on March 23rd:

The number of homes in the test area that can access information simultaneously through the video dialtone gateway is, according to US West not an issue. Each home has access independent of others on the system. (I will defer to Audley Webster on the 29th for the technical answer).

The number of schools, businesses, M.D.'s & clinics passed in the test area was not available at my meeting in Denver. Audley's office is researching the matter.

Your question regarding a connection to the Internet for more detailed information is, of course, possible; although not in US West's plan at this time due to the complexity of navigation through the Internet.

Let's review these and perhaps send out an agenda to the other attendees. I'll speak with you soon.

Sincerely,



Herman Budnick  
President

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B00116

**Inside Immanuel**  
**MEMORANDUM**

**TO:** P.H.I. I.S. Committee  
**FROM:** Dan Connolly, <sup>DC</sup> CIO  
**DATE:** April 20, 1994  
**SUBJECT:** Interactive T.V. Agenda

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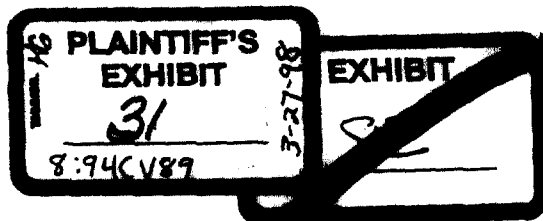
Herman Budnick and representatives from U.S. West will be at Immanuel on Friday, April 29 from 9:00AM to 11:00AM in the Holling Center, Deaconess F Room, to present and discuss the potentials of interactive T.V. in relationship to the upcoming 1995 trial in Omaha.

Attached is an agenda, as well as a brochure, that examples the type of format that can be presented via T.V. into a patient's home.

Look forward to seeing you there.

attach:

cc: Randy Korth  
Bill Biggs  
Joe Creal  
I.S. Management Steering Committee



**INTERACTIVE T.V. PRESENTATION  
IMMANUEL HOLLING CENTER  
DEACONESS ROOM F  
APRIL 29, 1994  
9:00AM - 11:00AM**

**AGENDA**

- I. Introductions**
- II. Background and Business Relationships**
- III. Concepts and Program Content**
- IV. Specific Content Possibilities**
- V. Security and Access**
- VI. Marketing**
- VII. Costs**
- VIII. Exclusivity**

# RSVP Information Inc

*Personalized Interactive Medical Television*

In the Matter of:  
U S West Communications  
FCC 98-147

September 24, 1998  
Exhibit K

January 19, 1995

VIA FACSIMILE  
(303) 965-0124

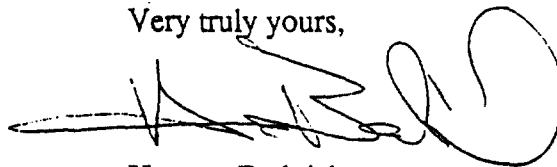
Mr. Larry Levine  
Vice President and General Manager  
Broadband and Multimedia Services  
U S WEST Communications, Inc.  
1999 Broadway, 28th Floor  
Denver, Colorado 80202

Dear Larry:

This letter will set forth the understanding we reached today about the U S West contribution to the RSVP Joint Venture. U S West will make a total cash contribution (including the \$25,000 which has previously been advanced) of \$252,500. The percentage ownership in the Venture will remain 66.66% RSVP and 33.33% US West. In addition, the Venture will have a 3DO development station available to it for its non-exclusive use on an as-needed/as available basis at the Advanced Technologies Group in Boulder. The Venture will enter into a not to exceed contract with Advanced Technologies for ISIS development. The not to exceed cost will be \$60,000.

If the foregoing is in accordance with your understanding, please execute and return to the undersigned a copy of this letter.

Very truly yours,

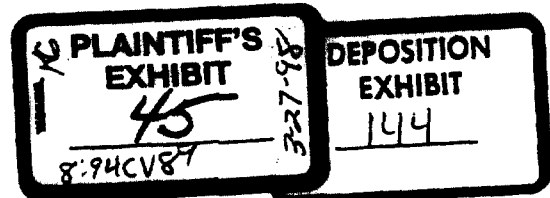


Herman Budnick  
President

Agreed and Accepted this  
\_\_\_\_\_ day of January, 1995.

Broadband and Multimedia Services  
U S WEST Communications, Inc.

By: \_\_\_\_\_  
Larry Levine



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## RSVP PRELIMINARY BUSINESS PLAN

### I SERVICE DESCRIPTION

RSVP is an interactive service that packages and delivers multimedia patient information directly to the home. RSVP allows a local hospital partner to customize the information for individual patients. In addition, the hospital receives detailed information back from the patient as to the programs viewed, answers to questions, and requests for additional information. The programming is paid for by the hospital partner and delivered without charge to the digital subscriber.

RSVP's programming consists of two parts: Marketing Programs and Specific Content Programs. Marketing Programs feature promotional information about the hospital, its specific offerings, and its affiliated physicians. It has been agreed that the first two Marketing Programs for the Omaha trial will focus on Substance Abuse and Depression. These programs are available to all digital subscribers. The hospital partner pays an "access" fee of a flat rate per month per digital subscriber. In addition, the hospital pays a fee per unit of actual viewing time.

Specific Content Programs are individualized packages which provide specific information for an individual patient. The hospital staff, using the RSVP front end located at the hospital, selects specific content for the patient to view from his home at his leisure. The patient is asked to answer specific questions during the programs. The answers to the questions are reported to the hospital and enable the staff to gauge the patient's understanding of the programs. Initially, the Specific Content Programs will cover the areas of obstetrics and breast biopsy. The hospital pays a modified "pay-per-view" fee for these programs.

There are four categories of Specific Content Programs: (i) Informed Consent; (ii) Shared Decision Making; (iii) Care and Recovery Acceleration; and (iv) Advance Directives and Other Administrative Issues.

- Informed Consent Programs are designed for patients who have been scheduled for a treatment, procedure, or surgery that involves some risk. These programs provide the patient with the necessary medical and legal information to explain the risks and benefits of the prescribed procedures.
- Shared Decision Making Programs are designed for patients who are considering a procedure or course of treatment where the tradeoffs between benefits and risks vary for each individual, or where there are alternative treatments. These programs enable patients to make informed choices based on information specific to their own situation.

- Care and Recovery Acceleration Programs are designed to provide patients with information both before and after their treatment. With this information, the patient is able to go home sooner and recuperate in the comfort of his home. An additional benefit of these programs is the reduction of anxiety for both the patient and his family.
- Advance Directives and Other Administrative Issues Programs are designed to educate the patients on a variety of routine or common information including the importance of having Advance Directives.

Current partners in RSVP include:

- RSVP Information, an experienced interactive multimedia company and the leader in the Patient Health Information Services category - Producer and manager of RSVP
- Nebraska Methodist Hospital - Content producer and programmer

## II DEAL SUMMARY

In order to deliver the RSVP service, USWC and RSVP Information will form a Colorado general partnership with the following interests: USWC - 33.3%; RSVP Information - 66.6%. For its partnership interest, USWC will fund the development of RSVP's software in USWC's multi-platform authoring. Development in the multi-platform authoring tool will assure portability to post Omaha cities regardless of platform specifications. RSVP Information will be responsible for the day-to-day management of the general partnership. RSVP Information has received a signed commitment from Nebraska Methodist Hospital to participate in the Omaha trial.

- Rights - USWC will own the code developed in its multi-platform authoring tool. USWC will license the code for the SA/3DO set top unit and DEC server platform to the general partnership on a non-exclusive, royalty free basis for 99 years. USWC will license the code for platforms other than the SA/3DO set top unit and DEC server platform to the general partnership on a non-exclusive, royalty free basis for three years for the purpose of offering RSVP. After the three year period, USWC will license the code on a most favored customer basis.

After the completion of the Omaha trial, USWC will have the right of first refusal to distribute RSVP on any interactive network in which it has an equity interest on a most favored nation's basis. RSVP Information will not participate in any service through any means of distribution within US WEST's 14 state region that competes directly with RSVP except through the general partnership. In addition, the general partnership



will have the right of first refusal to establish a health information service similar to RSVP with RSVP Information outside US WEST's 14 state region.

USWC will receive all revenue generated by RSVP for the duration of the Omaha trial. Thereafter, 60% of all revenue will be paid to USWC and 40% to the general partnership.

- Timing of Payments - Upon signing of the Terms and Conditions and approval of a detailed budget for the first year of the general partnership's operation, USWC will pay RSVP Information \$50,000 covering the initial development in USWC's multi-platform authoring tool. The remaining funds will be distributed on an as needed basis over the next 12 months according to the approved budget.

### III MARKET ANALYSIS

The Home Health Information Service category is an important component of USWC's digital package of services in Omaha. The value to both the digital subscriber and the hospital partner, combined with the goodwill generated by USWC in offering a health information service free of charge to the consumer make RSVP an extremely positive proposition.

RSVP Information has been providing RSVP within hospitals using touch screen technology with extremely positive results. Studies have shown that RSVP's presentation of medical information are the most effective way to help people learn and retain medical information. A recent study conducted by Blue Cross Blue Shield of Oregon shows that patient education and information services considerably improve the healthcare decision making process. Patients invariably feel that they are more involved and have greater control of their healthcare decision making.

In addition, RSVP frees up valuable physician time while strengthening the important doctor/patient relationship. The data from the Oregon study noted above also showed that timely and appropriate patient information improves healthcare delivery and efficiency. Thus, hospitals, and possibly insurers, are willing to pay for the service as it reduces or eliminates certain operating costs. This will be one of the first applications offered in Omaha where the revenue is generated by a third party provider wishing to have consumers exposed to their content. Finally, the provision of an effective health information service free of charge to the consumer will generate an enormous amount of goodwill for USWC.

#### IV STRATEGIC BENEFIT

The are long term strategic reasons for providing RSVP in Omaha.

- USWC has an opportunity to build a long term relationship with the leader in the Patient Health Information Services category.
- RSVP will test the functionality of USWC's broadband network, particularly in the area of off site customization of consumer services.
- The code written for RSVP in USWC's multi-platform authoring tool will add to the inventory of code available to USWC for use in future applications. The reusable code will include service software architecture allowing custom scripting of a service's presentation for individual users, support for server logging of a user's responses to service questions, and support for the collection of billing events for a non-subscriber billed service. Possible future applications include financial services, home repair, and other education-based programming.

#### V FINANCIAL SUMMARY

In order to launch RSVP in Omaha, it will take approximately \$313,000 in expenses and approximately \$447,000 in capital (including an equity investment of \$277,000) in the first year. Revenue for the first year in Omaha will be about \$19,500. Incremental net cash flow, after certain tax and timing adjustments, in the first year will be (\$545,500). The shareholder net present value of the RSVP service is approximately \$8,533,000.

Among the key assumptions in the financial analysis of RSVP are: i) the hospital partner pays an access charge of \$.05 per month per digital subscriber on the system; ii) 10% of digital subscribers will watch an average of 10 minutes per month of marketing programs (the hospital is initially charged \$.70 per minute); iii) 5% of digital subscribers will initially watch one specific content program per year (the hospital is initially charged \$15 per program). Although probable, no revenues are assumed for out-of region sales by the LSP of the RSVP service.

Feb. 10. 1997 10:52AM WOTAN 8000

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1 of 2

Assumptions for RSVP

	In Region		Out of Region
	U S West	Business Venture	Business Venture
el	Digital subscribers assumed in current Business Case	same	Used Veronis, Suhler & Associates Communications Industry Forecast as starting point. See attached
jects	<p>Informercial</p> <p>10% of digital homes will access for an average of 10 minutes per month.</p> <p>Price is \$.70/minute in year 1, \$1.00/minute in year 2 increasing by 3%/year thereafter.</p> <p>Access Charge</p> <p>Five cents per digital subscriber per month</p> <p>Patient Specific Package</p> <p>5% of digital subscribers will use once a year for \$15 per use.</p> <p>5% of digital subscribers will use once a year for \$20 per use.</p> <p>5% of digital subscribers will use once a year for \$25 per use.</p> <p>6% of digital subscribers will use once a year for \$30 per use.</p> <p>Penetration increases by 1%/year and prices increases by 3%/year</p>	<p>same except that prices are 40% of US West</p> <p>same except that prices are 40% of US West</p> <p>same except that prices are 40% of US West</p>	<p>same except that prices are 40% of US West</p> <p>same except that prices are 40% of US West</p> <p>same except that prices are 40% of US West</p>
revenues	<p>Retains all revenues in the first year (Omaha) (capped at \$90K) then retains 60% of the revenue thereafter.</p> <p>Will receive 33% of positive cashflow as dividends from business venture</p>	<p>Receive 40% of the revenues after the first year (1995).</p>	<p>Receive 40% of the revenues</p>

15200  
65  
-----  
15265

760  
15  
-----  
775  
3800  
360  
-----  
4160

**In Region**

**Out of Region**

	<b>U S West</b>	
Fee	License Fee equal to 40% of the revenue collected after first year. This expense is reflected as revenue stream for the venture entity.	
	Equipment Installation	\$1,600
	Training	\$5,000
	Total Operational Start Up	\$6,600
	Marketing Expense	\$100,000
	Total Start Up/Incr. City	\$106,600
(In 1996 only, U S West assumed to spend \$100K for market research and \$66K for general expenses in addition to \$106,600 above)		
ional	Print Guide	\$6,000 per cum city
	Marketing expenses of \$3 per digital subscriber per year is assumed	
	Development Savings: Assume a \$1.5k (30k*.5) and a \$7.5k (30k*.25) expense savings in 1996 and 1997 respectively. The savings are due to our owning the code which can be used in other applications	

**Business Venture**

License fee shows as revenue.

In 1995, total expense is equal to \$307K. Of this \$277K is equity from U S West, and \$30K is venture partner's own money.

Post 1995, the venture incurs \$100K/incr city in start up expenses.

Additional per incr city expenses are estimated to be \$81,200. This \$81,200 is to grow at 5%/city each year. The number and timing of cities follows the Broadband Business Case assumptions for in region.

**Business Venture**

The venture incurs \$100K/incr city in start up expenses.

Additional per incr city expenses are estimated to be \$81,200. This \$81,200 is to grow at 5%/city each year. The number of cities per year was assumed to not begin until 1998.

In Region		Out of Region	
Capital	<p><b>U S West</b></p> <p>U S West spends \$150K for a file server and \$20K for 3DO Development Station in 1995.</p> <p>Thereafter, assume 50% of server cost will decrease in price by 50% each year.</p>	<p><b>Business Venture</b></p> <p>All capital expenditures are assumed to be borne by the telco's not by the venture.</p>	<p><b>Business Venture</b></p> <p>All capital expenditures are assumed to be borne by the telco's not by the venture.</p>
	<p>Invest \$277K (reflected as capital outlay) in venture in 1995.</p> <p>Thereafter, whenever the venture has a negative cashflow, will invest an additional amount equal to 1/3 of negative cashflow. When a positive cashflow will receive 1/3 as dividend income.</p>	<p>Receive \$277K plus future infusions as required.</p>	
Other		Other	
Discount Rate	10.15%	Discount Rate	10.15%
Terminal Value	5 years declining life	Terminal Value	5 years declining life
Broadband CI	18	# of Broadband Cities	25

**Broadband & Multimedia Services Group**  
**RSVP - In Region II S West**  
**\$(000)**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Number of Cities	1	2	2	2	1	1	2	1	2	4
Number of Cities	1	3	5	7	8	9	11	12	14	18
Total Subscribers	3,998	18,156	59,016	119,844	183,660	234,806	283,032	323,904	369,601	408,307
Commercial Penetration	10X	10X	10X	10X	10X	10X	10X	10X	10X	10X
Commercial Subscribers	400	1,816	5,902	14,381	22,260	28,743	34,993	40,447	46,615	52,011
Subscribers	400	1,416	4,086	8,480	7,878	6,483	6,250	5,454	6,168	5,397
Subs % of Year	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X
Average Subscriber/Month	199.9	1,107.7	3,858.6	10,141.4	18,320.4	25,501.3	31,868.0	37,719.8	43,530.6	49,312.8
Cost (Min/Month)	10	10	10	10	10	10	10	10	10	10
Cost/minute	0.70	1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27
Commercial Sales	16,791.6	132,924.0	476,923.0	1,291,086.4	2,402,308.2	3,444,236.9	4,433,251.0	5,404,735.0	6,424,459.2	7,496,161.9
Access Penetration	100X	100X	100X	100X	100X	100X	100X	100X	100X	100X
Access Units	3,998	18,156	59,016	143,813	222,596	287,431	349,930	404,467	466,145	520,111
Units	3,998	14,158	40,860	84,797	78,783	64,835	62,499	54,537	61,678	53,966
Subs % of Year	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X
Average Units/Month	1,999.0	11,077.0	38,586.0	101,414.4	183,204.4	255,013.3	318,680.3	377,198.4	435,306.1	493,128.3
Cost/Subscriber	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Access Sales	1,199.4	6,646.2	23,151.6	60,848.6	109,922.6	153,008.0	191,208.2	226,319.0	261,183.7	295,877.0
Client Penetration	5.00X	5.00X	5.00X	6.00X	6.06X	6.12X	6.18X	6.24X	6.31X	6.37X
Client Subscribers	200	908	2,951	7,191	11,150	14,372	17,496	20,223	23,307	26,006
Subscribers	200	708	2,043	4,240	3,939	3,242	3,125	2,727	3,084	2,698
Subs % of Year	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X	50.0X
Average Subscribers/Year	100.0	553.9	1,929.3	5,070.7	9,160.2	12,750.7	15,934.0	18,859.9	21,765.3	24,656.4
Cost/Package	15.00	20.00	25.00	30.00	30.90	31.83	32.78	33.77	34.78	35.82
Client Package Sales	1,499.3	11,077.0	48,232.5	152,121.6	283,050.7	405,815.4	522,345.8	636,810.1	756,958.6	883,231.4
Dividend Sales	19.5	150.6	548.3	1,504.1	2,795.3	4,003.1	5,146.8	6,267.9	7,442.6	8,675.3
Membership Dividend	-	-	24.7	198.6	497.8	914.6	1,376.6	2,088.1	3,213.0	4,951.8
Net Income	19.5	150.6	573.0	1,702.7	3,293.1	4,917.7	6,523.4	8,355.9	10,655.6	13,627.1

PROPRIETARY  
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Feb 10 1997 10:53AM

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No. 2000

Page 1

Broadband & Multimedia Services Group  
RSVP - In Region U S West  
\$(000)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Direct Expenses										
Development Savings	-	(15.0)	(7.5)	-	-	-	-	-	-	-
Net Guide/Cum City	6.0	18.0	30.0	42.0	48.0	54.0	64.0	72.0	84.0	108.0
Net Up/Incr. City	294.6	213.2	213.2	213.2	106.6	106.6	213.2	106.6	213.2	426.4
License Fee (40X)	-	60.3	219.3	601.6	1,118.1	1,601.2	2,058.7	2,507.1	2,977.0	3,470.1
Marketing Costs (\$0.10/sub)	0.2	1.3	4.6	12.2	22.0	30.6	38.2	45.3	52.2	59.2
Marketing Exp (\$3/dig sub)	12.0	54.5	177.0	359.5	551.0	704.4	849.1	971.7	1,108.8	1,224.9
Collectible Expense	0.4	3.0	11.0	30.1	55.9	80.1	102.9	125.4	148.9	173.5
Total Direct Expenses	313.2	335.3	647.7	1,258.6	1,901.6	2,576.9	3,328.2	3,828.1	4,584.1	5,462.1
Net Total	170.3	225.0	187.5	168.8	79.7	77.3	152.3	75.6	150.6	300.6
Net to Venture	277.0	20.3	-	-	-	-	-	-	-	-
Income Taxes	(123.4)	(94.8)	(64.5)	124.1	487.1	854.1	1,186.6	1,715.5	2,327.7	3,146.4
Timing Adjustments for Cash	72.1	(16.6)	(1.6)	(34.3)	(89.0)	(93.4)	(83.2)	(118.8)	(85.4)	(63.9)
Incremental Cash Flow	(545.5)	(351.6)	(197.2)	117.0	735.7	1,316.0	1,773.1	2,618.0	3,507.9	4,654.0
Cash Flow	(545.5)	(897.1)	(1,094.3)	(977.3)	(241.6)	1,074.4	2,847.4	5,465.4	8,973.3	13,627.3
Discount Rate	10.15%									
Project Life NPV (15 Years)	5,958.7									
Shareholder Value NPV	8,533.2									
Payback Period in Years	5.6									

PROPRIETARY

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Feb 10 1997 10:54AM KUTV-TV KOCN

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20/21  
Page 1

## Broadband &amp; Multimedia Services

## Memorandum

DATE: April 4, 1995

TO: Larry Levine

FROM: Michael Thornton

RE: Budget Breakdown for RSVP and Interactive Entertainment

CC: Josh Felser  
Audley Webster

	RSVP		INTERACTIVE ENTERTAINMENT
<u>Equity Investment</u>	277	<u>NTN Porting Expense</u>	300
<u>Capital</u>		<u>NTN Capital</u>	
File Server	150	File Server	150
1/3 3DO Dev. Station	20.3	3DO Dev. Station	61
<u>Expenses</u>		<u>NTN Expenses</u>	
General (Omaha only)	88		
Operations		Operations	
Equipment Install	1.6	Equipment Install	1.6
Training	5	Training	5
Print Guide	6	Print Guide	6
Billing	2	Billing	2.4
		.15 Video Tech	6.75
		.15 Sales Support	6.3
Marketing		Marketing	
Market Research	100 50	Market Research	50
General	100	General	50
Per Digital Sub (\$3)	12	Per Digital Sub (\$4)	16
Uncollectible	.4		
<i>*newcds navigator and</i>		<u>Addtl. Games Capital</u>	
		File Server (Game Center)	150 ← needs to be transferred back to C.
		<u>Addtl. Games Expenses</u>	
		Bd/Card Games Dev.	100
		Server-based Dev.	100
		Live Dev.	100
		Marketing	
		Marketing Research (usability?)	50 20 20
TOTAL	760.5		1155.05
TOTAL APPROVED	760		1155



RSVP BROADBAND VENTURE

JOINT VENTURE AGREEMENT

THIS JOINT VENTURE AGREEMENT (the "Agreement") of the RSVP Broadband Venture, a joint venture formed under the partnership laws of the State of Colorado, USA (the "Venture"), is made as of this 28th day of March, 1995 between (i) RSVP Information, Inc., a Delaware corporation ("RSVP"); and (ii) U S WEST Multimedia Services Group, Inc., a Colorado corporation ("U S WEST").

RECITALS

A. RSVP and U S WEST have agreed to become co-venturers in the Venture, with RSVP initially holding 66.67% interest in the Venture, and U S WEST initially holding 33.33% interest in the Venture.

B. The parties desire to establish the Venture pursuant to the Colorado Uniform Partnership Law and to memorialize their understanding with regard to the Venture.

ARTICLE I

DEFINITIONS

In this Agreement, unless the context otherwise requires, defined terms shall have the meanings set forth in Exhibit A and incorporated herein by this reference.

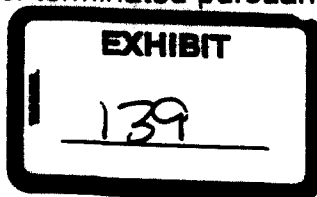
ARTICLE II

THE VENTURE

2.1 Formation. The Venture is hereby constituted as a general partnership under the Colorado Uniform Partnership Law on the terms set forth in this Agreement.

2.2 Name. The Venture shall be carried on under the name RSVP Broadband Venture.

2.3 Duration. The Venture will commence on the date of this Agreement (the "Effective Date") and shall continue for a period of 30 years from that date unless earlier terminated pursuant to Article XI.



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## ARTICLE III

### BUSINESS

3.1 **Business.** The business of the Venture shall be the development and delivery of a service that delivers multimedia, interactive patient information directly to the home in conjunction with a hospital or other health care provider (the "Client") targeted specifically at customers or potential customers of such Client, which information shall be delivered to the home either (i) via fiber optic or other high capacity cable ("Broad Band") to a television, monitor or computer equipped with an appropriate interface or (ii) via standard telephone lines ("Narrow Band") to a modem-equipped computer, provided that the information made available by Narrow Band shall be the functional equivalent of the information made available by Broad Band or shall supplement information made available by Broad Band on behalf of a Client. The Service will initially be offered on U S WEST Multimedia Services of Omaha, Inc.'s interactive network in Omaha and subsequently may be offered on other networks.

3.2 **Principal Office.** The Venture's business shall be carried on at the principal offices for the time being of RSVP and additionally or alternatively at such other place or places as the Executive Committee shall from time to time determine.

3.3 **Exclusive Arrangement.**

(a) Except through the Venture or with the written consent of U S WEST, RSVP or any Affiliate of RSVP shall not, so long as RSVP remains a Venturer in the Venture, and neither RSVP nor U S WEST shall, for a period of two (2) years following the date that it ceases to be a Venturer as a result of Section 11.2, acquire a controlling ownership interest in any entity that engages in, or otherwise engage in, the provision of any service distributed anywhere within the United States which competes directly with the Service. In the event that RSVP proposes that the Venture offer the Service in any area of the United States outside the states of Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington and Wyoming ("USW Region") and U S WEST causes the Venture to decline to offer such Service, RSVP shall be free to develop and offer such Service outside the Venture without the use of Venture Assets.

(b) Notwithstanding Section 3.3(a), in the event that U S WEST or an Affiliate of U S WEST engages in otherwise than through the Venture (or through Time Warner Entertainment, L.P. ("TWE")), or acquires more than a 20% ownership profit sharing interest (as an equity owner and not as a revenue

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sharing arrangement for providing product or service as a network provider or operator) in an entity (other than TWE) that engages in, the offering on a commercial basis of any product or service that competes directly with the Service (excluding, however, distribution by U S WEST of such a product or service as a network provider or operator), RSVP shall be entitled to offer the same product or service or the functional equivalent of such product or service so offered by U S WEST or another entity in which U S WEST has an interest outside of the Venture.

(c) In the event that the Venture is barred from participating in any activity due to Sections 3.4 or 3.5 hereof and no practical means exists to restructure such activity to avoid such constraints, RSVP shall be free to pursue the activity outside the Venture without the use of Venture assets so long as such activity does not directly compete with the Service within the U S WEST region or in any other area where the Venture offers or has approved the offering of the Service.

### 3.4 The MFJ.

(a) Acquisitions in Restricted Companies. For so long as U S WEST is a Venturer in the Venture, the Venture shall not engage in, possess or acquire, any interest, whether legal or beneficial, direct or indirect, in the share capital of any other company or any interest in any venture, partnership or other entity (each a "Restricted Company") that engages in any activity or activities that U S WEST would be prohibited from engaging in under the MFJ or any order of the court overseeing the MFJ as from time to time in effect (the "Prohibited Activity"), unless a written approval from U S WEST to conduct such activities has been first obtained. For this purpose, the determination of U S WEST as to what constitutes a Prohibited Activity shall be conclusive.

(b) Cease and Divest. If at any time the Venture or any of the Restricted Companies is engaged in an activity that, in the opinion of U S WEST, constitutes a Prohibited Activity, the Venture will (unless the Venturers are able to (x) agree upon a restructuring of the activity that will cause it not to be a Prohibited Activity in the opinion of U S WEST, or (y) agree upon terms and conditions under which RSVP shall purchase U S WEST's interest in the Venture) within sixty (60) days following the determination that such activity is a Prohibited Activity (i) cease such activity or require such Restricted Company to cease the activity and take all steps necessary to extricate the Venture or such entity from the provision of such activity, (ii) divest itself of its interest in such Restricted Company or Prohibited Activity or cause the Restricted Company to divest itself of the Prohibited Activity.

(c) MFJ Compliance Programs. In the event that counsel for U S WEST determines that the MFJ requires compliance by the Venture with

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Section V of the MFJ, or that the Civil Enforcement Consent Order filed November 17, 1987 in Civil Action No. 82-0192 (D.D.C., Aug. 24, 1982) ("CECO") requires compliance by the Venture with Section VI of the CECO, the Venture will distribute to the affected employees of the Venture (the term "employees" for this purpose meaning officers and employees with management responsibilities) such information regarding the MFJ and CECO as counsel for U S WEST determines is necessary for such compliance and will require such employees to sign a certificate as provided for in Section V(2) of the MFJ or Section VI(C) of CECO, as applicable. The Venturers will cause the Venture and its employees and employees of the Venturers to cooperate with U S WEST as reasonably required by U S WEST to comply with the MFJ, CECO and the Enforcement Order entered February 15, 1991 in Civil Action No. 82-0192 (D.D.C. Aug. 24, 1982). U S WEST shall be responsible for defraying the out-of-pocket costs incurred in providing any training to Venture or RSVP employees required by such compliance programs.

3.5 Regulatory Matters. The Venturers agree that the Service shall be structured so that it does not constitute "Video Programming" under 47 USC §533(b) and the Federal Communication Commission's interpretations thereof, for so long as such provision remains in effect. U S WEST will provide the Managing Partner with guidance as to what constitutes "Video Programming" and will review the programs that the Venture intends to distribute as early in the decision process as possible in order to facilitate the Venture's compliance with the provisions of this Section 3.5.

#### ARTICLE IV

##### CAPITAL CONTRIBUTIONS

###### 4.1 Initial Contribution.

- a) As its initial contribution to the Venture, RSVP:
  - (i) hereby assigns to the Venture all of its right, title and interest in and to the development work completed to date with respect to the Service, as further described in Exhibit C;
  - (ii) hereby grants to the Venture a perpetual, royalty-free license to use, reproduce, prepare derivative works (all right, title and interest in such derivative works to be owned exclusively by the Venture), distribute, display, perform and display RSVP's staff-side programming, player source code and database structure as further described in Exhibit D;

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- (iii) shall provide management services and personnel as needed to fulfill the Venture's obligations under the Services Agreement;

With respect to (i) and (ii) above, RSVP hereby warrants and represents to U S WEST and the Venture that (x) it has all right, title and interest in and to the subject matter (the "Assets") of such assignment and grant of license, (y) the Assets, or any part or content thereof, will not violate or infringe any right of a third party including, without limitation, any copyright, patent, trademark, service mark, trade name, trade secret, industrial design, contract, property or personal right, or right of privacy or other right of any person, and will not constitute an act of unfair competition, a libel or slander of any person or entity. RSVP shall indemnify and hold harmless the Venture, U S WEST and its Affiliate and their owners, directors, officers, employees or agents (individually as the "Indemnified Party") against all liability (including, but not limited to, court costs and reasonable attorneys' fees) arising from any claims of breach of RSVP's warranties or representations under this paragraph.

(b) As its initial contribution to the Venture, U S WEST shall make available to the Venture the non-exclusive use of a 3DO development station for the purpose of porting the Service pursuant to the Services Agreement, and has contributed cash in the amount of \$25,000.

(c) Each Venturer shall receive credit for, and there shall be added to each of their Capital Accounts, a sum equal to the amount of funds and the agreed value of interests contributed pursuant to this Article IV. The Venturers hereby agree that the value of the property contributed by RSVP is \$553,258 and the value of the property contributed and to be contributed by U S WEST is \$272,500.

#### 4.2 Required Capital Contributions.

(a) Definition. For purposes of this Agreement, "Required Capital Contributions" shall mean an aggregate amount of \$227,500 for U S WEST and an aggregate amount of \$34,800 for RSVP (in addition to other RSVP contributions as specified below in Section 4.2(b) below), to be contributed in installments as specified in Exhibit E and, for both Venturers, any additional amounts approved by the Executive Committee for any Accounting Period pursuant to a Budget adopted under Section 5.3.

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(b) Capital Calls. In the event that the Executive Committee approves additional capital contributions, the Managing Partner may, from time to time, as required to meet the cash needs of the Venture, request that the Venturers make capital contributions to the Venture (a "Capital Call") not to exceed in the aggregate the total amount so approved. A Venturer's share of the amount requested at any particular Capital Call shall be based on applying its Sharing Ratio as then in effect (unless otherwise agreed by the Venturers) to the total amount requested. All Capital Calls shall be made and the proceeds thereof applied in accordance with the approved Budget then in effect for the Venture. The proceeds of the initial cash contributions contributed and to be contributed by the Venturers shall be applied first to the payment to U S WEST Technologies, Inc. of the license and consulting fees payable to it and other direct development costs in connection with the Services Agreement and then to any general and administrative costs as reflected in the Venture's initial approved Budget. In the event that such initial contribution by U S WEST is insufficient to fund the Venture's obligations under the Services Agreement, RSVP shall contribute whatever is necessary for the Venture to complete such obligations until the earlier of the end of U S WEST Multimedia Services of Omaha, Inc.'s market trial, as it may be extended, or December 31, 1996. The Managing Partner shall notify the Venturers at least ten (10) days prior to the due date of any Capital Call of the date by which the funds must be paid to the Venture and each Venturer's share of the total Capital Call. At that time, the Managing Partner shall also provide the Venturers with a forecast of the Venture's cash requirements for the remainder of the current Accounting Period.

#### 4.3 Remedies for Default by Venturer in Making Required Capital Contributions.

(a) Election of Remedies. The failure in whole or in part of a Venturer to provide any Required Capital Contribution when due under Section 4.2 shall constitute a default and shall entitle the Venture, and the non-defaulting Venturer on behalf of the Venture, to pursue any of the rights and remedies set forth in Section 4.3(b) through Section 4.3(d). The election of a remedy set forth in Section 4.3(b) through (d) with respect to any default shall preclude the exercise of any other of the Section 4.3 remedies with respect to such default (but not any future default).

(b) Loan. At any time within 30 days following any default under Section 4.3(a) by either Venturer, the other may provide such funds on behalf of the defaulting Venturer and, by notice to the Venture and the defaulting Venturer, elect to treat the payment as a loan to the defaulting Venturer, and the defaulting Venturer shall pay such non-defaulting Venturer, within 90 days of the date of such advance, the amount of such advance plus interest from the date of the advance at an annual rate equal to two percent above the Interest Rate at the

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time of such advance, adjusted from time to time to reflect any changes in the Interest Rate. If such advance and interest thereon are not paid when due, the non-defaulting Venturer that advanced the funds shall be entitled to elect one of the following: (i) to pursue any remedies at law to collect the debt against the defaulting Venturer, and recover the costs of collection and receive 100 percent of all amounts that would otherwise be distributed by the Venture to the defaulting Venturer until such debt and interest plus the costs of collection (including reasonable attorneys fees) are paid in full; or (ii) at the beginning of the next Accounting Period or six months after the due date, whichever is later, to convert the principal and accrued interest on such loan into a capital contribution to the Venture, and to receive a credit to its Capital Account in the amount of such contribution. Upon such conversion, the Sharing Ratio of the defaulting Venturer shall be reduced and the Sharing Ratio of the Venturer making the defaulting Venturer's contribution shall be increased in accordance with the contributions made.

(c) Contribution of Defaulting Venturer's Share. At any time within thirty (30) days following any default under Section 4.3(a) by a Venturer, the other Venturer may provide funds to the Venture in an amount equal to the unpaid funds required of the defaulting Venturer, and such funds shall be credited to the Capital Account of each non-defaulting Venturer making a contribution. In the event funds are provided pursuant to this Section 4.3(c), the Sharing Ratio of the defaulting Venturer shall be reduced and the Sharing Ratio of the other Venturer shall be increased in accordance with the contributions made.

(d) Contribution of Non-Defaulting Venturer's Share Only. If the non-defaulting Venturer does not elect under Section 4.3(b) to loan funds to the Venture or, under Section 4.3(c), to provide funds to the Venture, the Sharing Ratios of all Venturers shall be adjusted as provided in Section 4.3(c) as if the Managing Partner had requested contributions in the amount contributed by the non-defaulting Venturers and the defaulting Venturer had failed to contribute its share thereof. In such event, the non-defaulting Venturer may also elect to pursue any remedies at law against the defaulting Venturer to collect the defaulted contribution, and 100 percent of all amounts that would otherwise be distributed by the Venture to the defaulting Venturer shall be retained by the Venture until the defaulted contribution plus the costs of collection (including reasonable attorneys fees) are paid or recovered in full.

4.4 Right to Enforce. No person other than a Venturer or the Venture shall have the right to enforce any obligation of a Venturer to contribute capital or lend funds hereunder and specifically no lender or other creditor or any other third party shall have any such rights.

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4.5 Manner of Funding. Unless otherwise agreed by the Venturers, all contributions to the Venture under this Article IV shall be made in United States dollars and shall be made by wire transfer to an account designated by the Executive Committee.

4.6 Form of Contributions. Unless otherwise determined by the Executive Committee and except as provided in Section 4.1(a), all contributions by a Venturer to the Venture shall be made in cash. If the Executive Committee agrees to permit a non-cash contribution, it shall determine the value of such non-cash contribution and the value as so determined shall be reflected on the books and records of the Venture. A Venturer contributing non-cash property to the Venture shall make arrangements satisfactory to the Managing Partner for the transfer of good and unencumbered title to the property to the Venture or its nominee.

## ARTICLE V

### MANAGEMENT

#### 5.1 Executive Committee.

(a) Establishment: Authority. The Executive Committee shall be the body which is entitled to take all actions, give all consents and approvals, and to make all agreements and determinations, that are the responsibility of the Venturers under this Agreement.

(b) Composition: Quorum. The Executive Committee shall be comprised of four members, half appointed by RSVP and half appointed by U S WEST. The Executive Committee shall elect from among its members a Chairman, which position shall rotate every one year between RSVP and U S WEST. At any meeting of the Executive Committee, the presence of at least one RSVP representative and one U S WEST representative shall constitute a quorum. The RSVP representatives shall be collectively entitled to one vote, and the U S WEST representatives shall be collectively entitled to one vote, on each matter coming before the Committee. A representative shall not be disqualified from voting because he or the entity he represents has a financial or other interest in any matter coming before the Executive Committee, provided that interest is disclosed to the Committee prior to the vote on the matter.

(c) Designation of Members. Upon execution of this Agreement, each Venturer shall notify the other Venturers in writing of the identity of its designated representatives and of an alternate representative for each designated representative who shall function in the absence of the designated representative. The Venturer giving a notice shall be deemed to have

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represented to each of the other Venturers that its designated representative (and alternate) have due authority to bind such Venturer with respect to all matters arising under this Agreement. Each Venturer shall have the right to change its designated representative and alternate at any time upon written notice to the other Venturers. Absent such further notice, each Venturer shall be entitled to rely on the designations set forth in the last notice given by the other Venturers. No purported termination of any notice given pursuant to this Section shall be effective unless accompanied by a valid designation of a new representative and alternate.

(d) Meetings. Meetings of the Executive Committee shall be held in person, or via telephone or by other means of telecommunication. In-person meetings shall be held on a quarterly basis. In addition, the Executive Committee shall hold meetings by telephone or other means of telecommunication each month other than the months in which quarterly meetings are held. Special meetings of the Executive Committee may be called by the Chairman on his own initiative or at the request of any member of the Executive Committee or the Managing Director. In lieu of a meeting, the members of the Executive Committee may act by written consent, and such consents shall be valid if executed by representatives of the requisite number of Venturers, as applicable. There shall be at least five (5) days advance notice of all meetings unless the Committee members waive such notice.

(e) Matters Requiring Unanimity. Subject only to Section 5.1(g) and the final sentence of this Section 5.1(e), and except (with regard to actions involving expenditures of funds or the making of financial commitments) in accordance with an approved Budget, none of the following actions shall be taken on behalf of the Venture without the consent of all Venturers, given through the Executive Committee:

- (i) any capital expenditure not specifically included in an approved Budget;
- (ii) any sale, transfer, lease, license or other disposal of assets by the Venture other than in the ordinary course of business;
- (iii) any changes to or termination of the Venture Agreement;
- (iv) the borrowing of any money, the creation or grant of any mortgage, charge (fixed or floating), use, hypothecation, lien (other than a lien arising by operation of law) or other similar security as security